



**Save the Children**

## **Creating a Secure and Prosperous Future: A G8 agenda for the world's children**

While the global financial and economic crisis started in the world's richest economies, it is the poorest people – especially poor children – who will suffer most severely from its consequences. Alongside this unprecedented economic crisis, the world faces massive environmental challenges. Climate change is a current reality not a future threat. Millions of poor children and their families are being affected, for example, by an increase in disasters brought on by floods and cyclones. The world is also experiencing considerable population growth, which will make it harder still to tackle poverty in the poorest countries and add to environmental and resource pressures. And rapid urbanisation means that many of the world's poorest people now live in cities, creating a new set of development challenges.

This is the context in which leaders of the G8 will meet in Italy in July. Over the past few years, development issues have featured prominently on the agenda of the G8, and previous G8 communiqués have made a series of promises, including to the world's poorest children. But G8 leaders collectively are failing to fulfill these pledges. The central task facing G8 leaders in 2009 is to close the huge gap between what they have promised and what they have so far delivered, and to recognise that the economic and environmental crises make this action even more urgent.

Without a decisive and concerted response from G8 countries, the prospects for millions of the world's poorest children look very bleak. Already, a staggering 9.2 million children die each year under the age of five, mostly from readily preventable diseases. In some countries, one child in every four does not reach his or her fifth birthday.<sup>1</sup> The World Bank has estimated that levels of child mortality could rise by 200,000 to 400,000 a year between now and 2015, as a result of the economic crisis.<sup>2</sup> In addition, millions more children will suffer from malnutrition, drop out of school, be forced into work, and be unable to afford treatment when they are sick. When a child's growth becomes stunted as a result of inadequate nutrition during the first two years of life, the effects are irreversible. No amount of subsequent intervention will make up for the damage done to that child's cognitive and physical development. Similarly, when children drop out of school because the costs of attending have become prohibitive, they rarely resume their studies when economic circumstances improve.

Yet, conversely, investing in children – in their health, nutrition, education, protection and care – is perhaps the single best investment any country can make, with proven benefits for economic and political development and social

stability. For example, a recent Save the Children study showed that a 5% improvement in child survival raises economic growth by 1 percentage point per year over the subsequent decade.<sup>3</sup> More broadly, there is a wealth of evidence that shows that investing in children is critical for breaking the inter-generational transmission of poverty.<sup>4</sup>

So what can and should G8 leaders do? Save the Children is focusing its advocacy calls for this year's G8 summit around three main issues:

- 1) aid volume and aid quality
- 2) newborn and child survival (including hunger and malnutrition)
- 3) education in conflict-affected states.

However, we also recognise that progress in these areas is affected profoundly by wider economic and environmental factors. Additional action agreed by G8 leaders to stimulate the global economy should take full account of the needs of the poorest countries and communities. And while the Copenhagen meeting in December is the right forum for reaching binding international agreements on climate change, G8 action to promote economic recovery should be fully consistent with a dramatic reduction in the emission of greenhouse gases over the next decade and beyond. Support for development should also include measures to build the resilience of national and local systems to economic and ecological shocks, and reduce the humanitarian consequences of disasters – for example, through disaster risk reduction and climate change adaptation.<sup>5</sup>

## **1. Meeting promises on aid**

*“We live in an era where goals have been set for practically everything: the Millennium Development Goals have been agreed, development aid quotas have been approved. The task now for our generation of politicians is to realize these goals, a task which is certainly not easier than setting the goals was. We know that our dependability and credibility are at stake.”*  
Chancellor Angela Merkel<sup>6</sup>

At the Gleneagles G8 summit in 2005, G8 leaders pledged to increase global Official Development Assistance (ODA) by \$50 billion per annum by 2010, of which \$25bn would go to Africa. But with a year to go before this deadline, G8 countries are falling way short of this pledge. Figures from the Organisation for Overseas Co-operation and Development / Development Assistance Commission (OECD/DAC) suggest that G8 donors will fall short by around \$25bn (in 2007 constant US\$) of the 2010 target (see below).

## G7 ODA Performance and projections for 2009-2010

In constant 2007 USD million

	Actual disbursements			Projections based on current trend			What ODA has to be in 2010 according to OECD		Gap
	2005	2006	2007	2008	2009	2010	2010	ODA/GNI	
Canada	4,475.50	4,008.40	4,079.63	4,577.16	4,611.55	4,646.21	4,722.46	0.34-	76.26
France	11,599.17	11,845.82	9,883.54	10,167.97	9,731.28	9,313.34	12,907.39	0.51-	3,594.05
Germany	11,369.34	11,592.26	12,290.64	12,993.93	13,585.50	14,204.00	16,522.19	0.51-	2,318.19
Italy	5,833.94	4,060.91	3,970.64	4,059.19	3,596.93	3,187.31	9,925.10	0.51-	6,737.79
Japan	12,054.49	10,917.91	7,678.98	8,309.96	7,340.89	6,484.83	11,814.31	0.28-	5,329.47
UK	12,519.47	13,938.39	9,848.53	12,217.82	12,118.89	12,020.77	15,252.73	0.56-	3,231.96
USA	29,610.98	24,165.58	21,786.95	25,438.18	24,182.28	22,988.38	27,041.28	0.2-	4,052.90
Current trend	87,462.89	80,529.27	69,538.91	77,764.20	75,167.32	72,844.84	98,185.45	0.42-	25,340.61
Trend needed	87,462.89	89,607.40	91,751.91	93,896.43	96,040.94	98,185.45	..	..	..

Source of basic data: <http://stats.oecd.org/WBOS/Index.aspx?DatasetCode=TABLE2A>

\*Notes:

1. For each country a trend was calculated based on the real increases between 2005 and 2008
2. Using that trend, for each country a prediction was made for 2010 if this trend continued
3. Using the data simulated for each country by OECD (March 2009) we obtained the Net ODA levels that each country will need to disburse in 2010. The difference between the projected and the simulated indicate that the countries will miss their G8 commitments of \$50bn by over half (\$25 bn)
4. The 2008 figures have discounted debt relief
5. The 2008 figures are preliminary figures as of 30 March 2009 released by OECD DAC

Some G8 countries, including the USA and UK, have increased their aid spending. But all G8 countries have much more to do. Across the G8 countries as a whole, there is also a fear that the economic recession will lead to further downward pressure on aid budgets (which are already lower than they should be), or be used by G8 governments as an excuse to renege on promises to tackle poverty and its disastrous consequences. It is particularly shocking that Italy, the host of this year's summit, is cutting its aid levels so dramatically. Prime Minister Berlusconi has announced a massive 57% cut to Italy's ODA for 2009. While actual disbursement for 2009 is not yet known, estimates show Italian ODA dropping from 0.2% of gross national income (GNI) in 2008 to a worst case scenario of 0.09%. This cut will further reduce the G8's credibility and sets the worst of examples to other donors.

Alongside a focus on aid volume, there needs to be a greater focus on improving the *quality* of the aid that G8 countries provide. This means increasing transparency of aid so that it strengthens rather than weakens national systems; is consistent with developing countries' own development plans; and enhances the accountability of governments to their own people, not just to external donors.

In 2009, the G8 must:

- meet their Gleneagles commitments on aid spending
- take further steps to improve aid quality, consistent with the Paris Principles on aid effectiveness
- agree on new robust accountability mechanisms so that G8 leaders and developing country governments – as well as their respective citizens – can better evaluate whether commitments made at summit meetings are being implemented.

## 2. Newborn and child survival

*“We will not be successful in our efforts to end deaths from AIDS, malaria, and tuberculosis unless we do more to improve health systems around the world, focus our efforts on child and maternal health, and ensure that best practices drive the funding for these programs... We have a responsibility to protect the health of our people, while saving lives, reducing suffering, and supporting the health and dignity of people everywhere.”*

President Barack Obama<sup>7</sup>

The world is failing to meet its promises to cut maternal, newborn and child mortality – Millennium Development Goals (MDGs) 4 and 5. There has been almost no progress in reducing maternal mortality in recent years, and the slow and uneven progress on child mortality has cost too many children their lives. At current rates of progress, MDG 4 will not be met until 2045. This is despite the fact that there is now a wide consensus about the kinds of interventions that would serve to dramatically reduce mortality rates.<sup>8</sup> Key interventions include: focused antenatal care, skilled attendance at birth and postnatal care; the management of childhood illness; nutrition promotion, including early and exclusive breastfeeding and micronutrient supplementation; treatment of acute malnutrition; immunisation against killer diseases; malaria control; and prevention of mother-to-child transmission of HIV.

But to deliver these interventions to those who need them, developing countries need strong and equitable health systems. These should be properly financed and accessible to the poorest and most marginalised communities. Mortality rates among the poorest elements of a country’s population are consistently higher than among their better off counterparts, so a focus on the needs of the poorest is absolutely critical. Save the Children also believes that a country’s performance on child and maternal mortality, particularly for the poorest families, is a powerful indicator of whether that country is succeeding in development terms.

G8 summits in recent years have focused heavily on health, and a number of commitments have been made, including on maternal and child survival. But progress has been limited. For example, despite last year’s G8 commitment to provide \$60 billion for health in developing countries over five years, the G8 has not developed a clear timetable to achieve this and the years for which it will apply remain uncertain. Knowing how this is to be calculated – whether it is a genuine commitment or simply an accountancy exercise – is extremely important in judging whether this will lead to an expansion of healthcare across developing countries.

In 2009, the G8 must:

- commit to double the level of donor funding for maternal, newborn and child health interventions from 2006 levels (\$3.5 billion) to \$7bn in 2012, and focus a growing proportion of these resources on the countries and communities with the highest mortality rates and number

of under-five deaths. Both donors and host governments should continue to increase investment in these expanded interventions so that the combined funding increment reaches \$15bn in 2015

- commit that no low-income country with a credible plan for reducing maternal, newborn and child mortality should fail to achieve this objective because of a lack of donor resources. Those resources should be fast-tracked where credible plans are in place
- ensure that additional ODA and innovative financing are provided, free from unnecessary conditions and through mechanisms that promote country ownership. Those G8 countries in the International Health Partnership should ensure that country compacts set out how gaps in funding for national health plans will be filled by domestically raised resources, innovative financing and donor aid
- following the G20 decision to channel additional resources for developing countries through the International Monetary Fund (IMF), ensure that IMF restrictions on public sector spending do not suppress investment in health services.

### **Hunger and under-nutrition**

Hunger and under-nutrition is a critical factor in high levels of child mortality, accounting for around 3.2 million child deaths each year. The food price increases in 2007 and 2008 focused political and public attention on hunger to a much greater extent than previously. While prices have in some cases fallen back from their high point last year, millions of poor children continue to be malnourished and lack adequate access to food. And some of the underlying drivers – climate change, water shortages, population growth and urbanisation – will have the effect of increasing prices in coming years. This should be a central area of focus for the G8. Critically, it means more than support for boosting agricultural output, which should be matched with measures to ensure that the poorest people can access the food they need.

As is increasingly recognised by the World Bank and other multilateral donors, social protection programmes have an important role to play in tackling under-nutrition. Across a number of countries, particularly in Latin America and Africa, they have helped poor people to access food and healthcare. Social protection programmes – including those that put cash directly into the hands of the poorest households – also lead to improved economic circumstances, helping to create livelihood opportunities, produce beneficial effects on labour productivity and earnings, and cushion families from the worst effects of economic crises.

Save the Children is calling on the G8 to:

- revitalise their commitment to the Global Partnership for Agriculture Food Security and Nutrition (GPAFSN), which they endorsed at last year's Summit. At the Madrid High-Level Meeting in January 2009, it was agreed that the proposed partnership would include a focus on

nutrition. But there has been very little progress on this. For the partnership to become a reality, it needs to mobilise predictable, long-term and additional funding to improve food access for the poorest households and provide adequate support to the specific needs of small farmers. It should serve as a coordination structure to galvanise effective and coherent action to reduce malnutrition globally

- address the needs of the most vulnerable, particularly children and women most affected by the crisis, by investing in nutrition and social protection programmes.

### 3. Education in conflict-affected countries

*“We cannot tolerate in the 21st century a world where 75 million children don’t go to school, we can’t tolerate a world where half of the children are unable to finish school, where two-thirds of the children not going to school are girls deprived of proper rights, and you can’t tolerate a situation where the provision of education stops at 10, 12, 14, whereas in our countries we are now legislating for education right up to the age of 18.”*

Prime Minister Gordon Brown<sup>9</sup>

Despite real improvements in levels of school enrolment over recent years, an estimated 75 million children are still not in school. This is a denial of children’s basic rights and a scandalous waste of human potential. Without education, children – and their families, communities and countries – face the bleak prospect of continuing on a negative development path, where poverty and conflict continue to blight lives across generations.

The G8 countries have the power to change this, and the current economic climate should be an incentive rather than a deterrent in doing so. Investing in children’s education can help to realise their rights and to unlock the creative and productive potential of communities and countries. Education is widely recognised as one of the most vital investments a government can make. The G8 must therefore take urgent action to shore up the gains already made in universal primary education and help those children who remain out of school to access quality education.

It has been estimated that to achieve universal primary education for all girls and boys would cost \$9 billion a year. While this is a modest sum – when contrasted with the amounts mobilised to bail out western financial institutions over the last year – it would still represent a big increase in existing levels of spending on basic education aid (which in 2007 was just \$3.5bn). G8 countries have a responsibility to do more. Of the G8 members, only the UK and Canada contribute more than 50% of their fair share<sup>10</sup> to education. France (25%), Germany (20%), Italy (3%), Japan (18%) and the USA (15%) all contribute significantly less,<sup>11</sup> despite commitments to work with other donors and recipient governments to fund long-term plans to ensure every child gets to school.

More than half of the world’s out-of-school children – 40 million – are living in conflict-affected fragile states (CAFS), yet these countries are least likely to

receive support from donor countries, including many G8 governments. This remains the case despite the G8 acknowledging in 2008 that “fragile and post-conflict states remain farthest from reaching the MDGs” and for education said specifically, “We will pay specific attention to countries affected by conflicts or crisis, to girls and to marginalised populations who remain mostly excluded from school.”<sup>12</sup> If the G8 countries are to honour their own words, more urgent action is needed. While basic education aid commitments to CAFS have increased marginally in recent years – from \$0.9 billion in 2005 to \$1.2bn in 2007 – they are still well below the estimated \$5.2bn required annually to achieve universal primary education in these countries.

It is vital in the current climate of global financial instability that external aid is available, especially in those CAFS less able to withstand economic shocks. Italy committed an average of just 3% of its fair share between 2005 and 2007. It will need to make a demonstrable effort to reverse its current standing to set an example for other G8 leaders in advance of this year’s summit, which is now being held in [L’Aquila](#).

Save the Children wants the G8 to:

- significantly increase their basic education commitments to help meet the \$9 billion external financing required to achieve quality universal primary education
- prioritise education funding for conflict-affected fragile states (CAFS). This means increasing the resources allocated in support of basic education, with at least 50% of these spent in CAFS
- increase their support of the Education for All-Fast Track Initiative (EFA-FTI) to fill current financing gaps, and support the establishment and resourcing of the Education Transition Fund to ensure that the EFA-FTI supports education in CAFS.
- commit to include and resource education as an immediate and integral part of every international response to a humanitarian emergency. This should include backing for the Global Education Cluster, as well as the Child Protection Working Group within the Protection Cluster, to ensure that schools are safe places for children living in emergencies.

## **Conclusion**

The economic crisis is resulting in serious costs and having serious consequences for some of the world’s poorest people – those who bear no responsibility for it. Similarly, the climate change crisis is hitting poor people the hardest, especially poor children. The G8 countries are some of the wealthiest and strongest in the world. They have a moral responsibility – and a common interest – in tackling poverty more effectively and promoting

development and shared prosperity. The needs, rights and interests of the world's children should be central. G8 leaders must recognise this and act on it. Children's health, nutrition, education and broader wellbeing really does hold the key to a more secure and prosperous future for all of us.

## Notes

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<sup>1</sup> UNICEF, *State of the World's Children 2009*, UNICEF, 2009

<sup>2</sup> World Bank, *Swimming against the tide: How developing countries are coping with the global crisis*, Background Paper prepared by World Bank Staff for the G20 Finance Ministers and Central Bank Governors Meeting, March 2009

<sup>3</sup> E Anderson and S Hague, *The Impact of Investing in Children: Assessing the cross-country econometric evidence*, ODI Working Paper 280, Overseas Development Institute, 2007

<sup>4</sup> See note 3

<sup>5</sup> International Save the Children Alliance, *In the Face of Disaster: Children and climate change*, International Save the Children Alliance, 2008

<sup>6</sup> Speech by German Federal Chancellor Angela Merkel at the African Partnership Forum in Berlin on 22 May 2007 [http://www.bundesregierung.de/nn\\_6566/Content/EN/Reden/2007/05/2007-05-22-rede-merkel-afrika-partnership-forum.html](http://www.bundesregierung.de/nn_6566/Content/EN/Reden/2007/05/2007-05-22-rede-merkel-afrika-partnership-forum.html)

<sup>7</sup> Statement by United States President Barak Obama on the Global Health Initiative, 5 May 2009 <http://www.usembassy.org.uk/obama057.html>

<sup>8</sup> Countdown to 2015, *Tracking Progress in Maternal, Newborn and Child Survival: The 2008 Report*, UNICEF, 2008

<sup>9</sup> Speech given by UK Prime Minister Gordon Brown to a conference on world poverty held by the Department for International Development in London on 9 March 2009. <http://www.number10.gov.uk/Page18554>

<sup>10</sup> Using GNI to compare wealth across the DAC countries, it is possible to identify how much each country should be contributing to the external financing requirement for universal primary education – this is widely known as 'fair share'.

<sup>11</sup> International Save the Children Alliance, *Last in Line, Last in School 2009*, International Save the Children Alliance, 2009

<sup>12</sup> *G8 2008, G8 Hokkaido Toyako Summit Leaders Declaration, Development and Africa Hokkaido Toyako*, 8 July 2008 [http://www.mofa.go.jp/policy/economy/summit/2008/doc/doc080714\\_\\_en.html](http://www.mofa.go.jp/policy/economy/summit/2008/doc/doc080714__en.html)

c Save the Children, June 2009